

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

October 25, 2010

ORH

TO: Internal File

THRU: Ingrid Campbell, Team Lead

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FROM: Angela Nance, Business Analyst

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RE: Change of Ownership and Control, West Ridge Resources, Inc., West Ridge Mine, C/007/0041, Task ID #3658

SUMMARY:

On October 14, 2010, the Division received an application to update the Ownership and Control information for West Ridge Resources, Inc. and the West Ridge Mine. Effective September 29, 2010, Intermountain Power Agency (IPA) conveyed all of its interest in the company to Andalex Resources, Inc. The submitted changes involve only one page of text in the MRP. However, all of the information that was submitted was reviewed for accuracy.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

The Chapter 1 volume contains ownership and control information for West Ridge Resources, Inc. West Ridge Resources, Inc. is a wholly owned subsidiary of Andalex Resources, Inc., which is a wholly owned subsidiary of UtahAmerican Energy Inc., which in turn is a wholly owned subsidiary of Murray Energy Corporation. West Ridge Resources, Inc. is a Utah corporation licensed to do business in Utah. West Ridge Resources, Inc. is the Permittee and the operator for the West Ridge Mine.

As of September 29, 2010, IPA is no longer a tenant in common of the West Ridge Project. Intermountain Power Agency conveyed all of its interests regarding the West Ridge Mine to Andalex Resources, Inc.

Findings:

Some of the information that was submitted does not match the information found in the OSM/AVS database.

The following deficiencies must be addressed in accordance with **R645-301-112.330:**

Murray Energy Holdings Co.

1. The AVS database shows **Robert D. Moore, President** with a Begin Date of 4/23/07. This information is not in the submittal. *Please address this discrepancy.*
2. The AVS databases shows Shareholders **Robert Edward Murray, Jonathan Robert Murray, and Ryan Michael Murray** with a Begin Date of 6/30/03. This information is not in the submittal. *Please address this discrepancy.*

Murray Energy Corporation

TECHNICAL MEMO

1. The submittal indicates that **Michael O. McKown** has a Begin Date of 08/01/08 as General Counsel and Secretary. While the AVS database shows this same date for the position of General Counsel, it shows a date of 02/23/01 for the position of Secretary. *Please address this discrepancy with a Secretary's Certificate.*

Intermountain Power Agency

1. Appendix 1-7 of the submittal still includes the ownership and control information for IPA, even though Page 1-2 removes IPA as a tenant in common. *Please maintain consistency and remove IPA's ownership and control information from Appendix 1-7.*

RECOMMENDATIONS:

The application should not be approved until the above-listed corrections have been made.